

therein and a thermal device for generating heat, the thermal device of the cancellation device permanently marking the unplayed lottery ticket at the area when positioned adjacent the thermal device prior to the imaging the unplayed lottery ticket.

2. (Amended) A system for canceling an unplayed uniquely numbered lottery ticket comprising:

an unplayed lottery ticket having a control number and an area with thermally reactive coating material disposed thereon; and

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a terminal having a microprocessor for controlling the operation of the terminal, imaging means for imaging the unplayed lottery ticket, memory means for storing data pertinent to the unplayed lottery ticket, and an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a thermal device for generating heat, the thermal device of the cancellation device permanently marking the unplayed lottery ticket at the area when positioned adjacent the thermal device prior to the imaging means imaging the unplayed lottery ticket.

3. (Amended) A process for canceling an unplayed uniquely numbered ticket having a control number and an area with thermally reactive coating material disposed thereon, the process comprising the steps of:

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inserting the unplayed lottery ticket into a lottery terminal having means for receiving the unplayed lottery ticket therein;

activating the thermally reactive coating material of the unplayed lottery ticket for permanently marking the unplayed lottery ticket;

following the activating step, imaging the unplayed lottery ticket for detecting the activated thermally reactive coating material and for reading the control number of the unplayed lottery ticket; and

recording the control number.

4. (Amended) A lottery terminal capable of canceling an unplayed uniquely numbered lottery ticket having a control number and an area with chemically reactive coating material disposed thereon, the terminal comprising:

a microprocessor for controlling the operation of the terminal;

imaging means for imaging the unplayed lottery ticket;

memory means for storing data pertinent to lottery

ticket; and

an automated lottery ticket cancellation device including means for receiving the unplayed lottery ticket therein and a radiant energy source for generating radiant energy, the radiant energy source of the cancellation device permanently marking the unplayed lottery ticket at the area when positioned adjacent the radiant energy source prior to the imaging means imaging.

5. (Amended) A process for canceling an unplayed uniquely numbered ticket having a control number and an area with chemically reactive coating material disposed thereon, the process comprising the steps of

inserting the unplayed lottery ticket into a lottery terminal having means for receiving the unplayed lottery ticket therein;

activating the chemically reactive coating material of the lottery ticket for permanently marking the unplayed lottery ticket;

following the activating step, imaging the unplayed lottery ticket for detecting the activated chemically reactive coating material and for reading the control number of the lottery ticket; and recording the control number.

Please add the following new claims:

6. (New) A lottery terminal configured for canceling an unplayed lottery ticket having a reactive area, comprising:

a controller;

an imaging device in communication with the controller, the imaging device configured to image the unplayed lottery ticket;

a memory in communication with the controller and configured to store data pertinent to the unplayed lottery ticket; and

an automated lottery ticket cancellation device in communication with the controller and configured to receive the unplayed lottery ticket and permanently mark the area prior to imaging the unplayed lottery ticket.

7. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, wherein:

the reactive area is a thermally reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a thermal device for generating heat and configured to permanently mark the area when the unplayed lottery ticket is positioned adjacent the thermal device.

8. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, wherein:

the reactive area is a chemically reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a radiant energy source configured to generate radiant energy and to permanently mark the area when the unplayed lottery ticket is positioned adjacent the radiant energy device.

9. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim

6, wherein:

the reactive area is a chemically reactive coating material disposed on the lottery ticket and the automated lottery ticket cancellation device includes a chemical application device configured to apply a chemical to the reactive area and to permanently mark the area when the unplayed lottery ticket is positioned adjacent the radiant energy device.

10. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, further comprising:

an input device in communication with the controller, the input device configured to receive a request to cancel an unplayed lottery ticket and to communicate the request to the controller.

11. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 10, wherein

the controller is further configured to activate the cancellation device in response to the request communicated from the input device.

12. (New) The lottery terminal configured for canceling an unplayed lottery ticket having a reactive area of claim 6, further comprising:

an output device in communication with the controller, the output device configured to produce an indication that a refund should be provided for a canceled ticket only after the ticket has been permanently marked.

13. (New) A method for canceling an unplayed lottery ticket having a reactive area, said method comprising:

receiving the unplayed lottery ticket in a lottery terminal;

permanently marking the unplayed lottery ticket by activating the reactive area; and

after the permanent marking, imaging the unplayed lottery ticket.

14. (New) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, wherein

the reactive area is a thermally reactive coating material disposed on the ticket and wherein the permanent marking includes heating the reactive area.

15. (New) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, wherein

the reactive area is a chemically reactive coating material disposed on the ticket and wherein the permanent marking includes applying radiant energy to the reactive area.

16. (New) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, further comprising:

after permanent marking, recording a control number of the unplayed lottery ticket.

17. (New) The method for canceling an unplayed lottery ticket having a reactive area of claim 13, further comprising:

detecting the permanent marking of the reactive area.

18. (New) The method for canceling an unplayed lottery ticket having a reactive area of claim 17, further comprising:

after the permanent marking of the reactive area has been detected, generating a message that a refund should be provided for the canceled lottery ticket.

19. (New) The method for canceling an unplayed lottery ticket

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having a reactive area of claim 17, further comprising:

after the permanent marking of the reactive area has
been detected, generating a replacement lottery ticket.